Atlantic Canada Opportunities Agency

Agence de promotion économique du Canada atlantique

Atlantic Canada Opportunities Agency

2015-16

Report on Plans and Priorities

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Minister's Message

In the aftermath of the last recession – the deepest global economic and financial crisis since the Great Depression – Canada retains its enviable economic standing while other countries continue to experience weak and uneven growth.

Our Government's priorities of job creation and economic growth helped Canada to survive the global downturn and to emerge from it in a position of strength.

We remain committed to these priorities. The Atlantic Canada Opportunities Agency (ACOA) continues to foster economic development in the region by delivering strategic support that addresses the specific issues facing small and medium-sized enterprises as well as urban and rural communities throughout the region.

Major opportunities lie ahead for Atlantic businesses and communities, including the advancement of the National Shipbuilding Procurement Strategy and the implementation of several new trade agreements, including the Canada-European Union Trade Agreement. Through ACOA, our Government will ensure that Atlantic Canada is prepared to maximize the benefits that will unfold from these historic initiatives.

I am pleased to present ACOA's *2015-16 Report on Plans and Priorities*, which details the Agency's plans to support continued economic growth in Atlantic Canada.

The Honourable Bernard Valcourt, PC, QC, MP
Minister of Aboriginal Affairs and Northern Development

Minister of State's Message

In 2015-16, ACOA will continue to follow through on our Government's commitment to job creation and economic growth by focusing on key priorities designed to foster economic development in Atlantic Canada.

The Agency will continue to support small and medium-sized enterprises (SMEs) in starting up, expanding and undertaking initiatives that will make them more innovative, productive and competitive in the global marketplace. This will be key to ensuring that they are well positioned to create and seize important opportunities, including those that will arise from new, unprecedented access to the European market through the Canada-European Union Trade Agreement.

Collaborating with other government departments, community-based groups, the private sector and academia to identify opportunities for economic growth and diversification in Atlantic communities, particularly those in rural areas, will remain a priority. The Agency will work with communities to help them find ways to offset demographic vulnerabilities and to develop their capacity to create jobs and economic stability. ACOA will also work with important sectors such as tourism and resource industries to develop innovative responses to challenges and to remove barriers to growth.

ACOA will continue to advocate for Atlantic Canada among partners, stakeholders and decision-makers, with special focus on the region's strengths and opportunities. Under the Atlantic Shipbuilding Action Plan, the Agency remains committed to helping SMEs promote their capacity, and it will engage stakeholders to maximize federal industrial benefit opportunities related to the National Shipbuilding Procurement Strategy and the Defence Procurement Strategy.

Internally, ACOA will continue to foster excellence in its operations to ensure that it keeps delivering quality results for Canadians in the coming fiscal year and beyond.

The Honourable Rob Moore, PC, MP
Minister of State
(Atlantic Canada Opportunities Agency)

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: The Honourable Bernard Valcourt, PC, QC, MP

Minister of State: The Honourable Rob Moore, PC, MP

Institutional Head: Mr. Paul J. LeBlanc, President

Ministerial portfolio: Atlantic Canada Opportunities Agency

Enabling Instrument: Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C, 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*. See the Department of Justice Canada website for more information.

Year of Incorporation / Commencement: 1987

Other: Mr. Gerald Keddy is the Parliamentary Secretary to the Minister of National Revenue, the Minister of Agriculture and for the Atlantic Canada Opportunities Agency.

Information is available on the Agency's website regarding the Repayable Contributions Portfolio of ACOA's Business Development Program.

Organizational Context

Raison d'être

Established in 1987 (Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c.41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*), the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Minister of State (Atlantic Canada Opportunities Agency) is responsible for this organization.

ACOA works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada. Together with Atlantic Canadians, ACOA is building a stronger economy.

Responsibilities

ACOA plays an important role in developing and supporting policies and programs that strengthen the region's economy. Its responsibilities are stated in the Agency's legislation, which mandates the organization "to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region."[i] Although the Agency's policies and program tools have evolved since its inception, the overall goal remains constant. ACOA is dedicated to helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, helping communities and businesses to overcome challenges, and capitalizing on opportunities. ACOA is committed to helping the region build its capacity and make the transition to a stronger economy.

The Agency provides services through its head office in Moncton, N.B., and throughout the four Atlantic provinces, with a regional office located in each of the four provincial capitals and 22 local field offices. Through its Ottawa office, ACOA ensures that Atlantic Canada's interests are reflected in the policies and programs developed by other departments and agencies of the federal government.

Strategic Outcome and Program Alignment Architecture

ACOA's strategic outcome – a competitive Atlantic Canadian economy – and its program alignment architecture (PAA) can be found below. The PAA is based on the results of policy research and analysis, the periodic assessment of program relevance and performance, ongoing dialogue with stakeholders in the region, and the priorities and directions of the Government of Canada.

1. **Strategic Outcome:** A competitive Atlantic Canadian economy
    - **1.1 Program:** Enterprise Development
        - **1.1.1 Sub-Program:** Innovation and Commercialization
        - **1.1.2 Sub-Program:** Productivity and Growth
        - **1.1.3 Sub-Program:** International Business Development
    - **1.2 Program:** Community Development
        - **1.2.1 Sub-Program:** Community Investment
        - **1.2.2 Sub-Program:** Community-based Business Development
    - **1.3 Program:** Policy, Advocacy and Coordination
        - **1.3.1 Sub-Program:** Policy
        - **1.3.2 Sub-Program:** Advocacy
        - **1.3.3 Sub-Program:** Coordination

Internal Services

Organizational Priorities

All organizational priorities support the Agency's strategic outcome: a competitive Atlantic Canadian economy. This outcome reflects ACOA's legislative purpose to enhance the growth of earned incomes and employment opportunities as well as the Agency's role in advocating on behalf of Atlantic Canada, affecting national policy.

Priority 1	Type[1]	Program
Focus ACOA's programs and services on initiatives that encourage Atlantic Canadian businesses to become more innovative, productive and competitive in the global marketplace.	Ongoing	Enterprise Development, with support from Community Development and Policy, Advocacy and Coordination

Description

Why is this a priority?

Productivity drives competitiveness, economic growth and, ultimately, living standards. Atlantic Canada continues to be challenged in closing the productivity gap, in raising the level of business innovation, and in countering an aging population and a shortage of skilled workers. ACOA is working with businesses in Atlantic Canada to help them take advantage of the Canada-European Union (EU) Trade Agreement, other trade agreements, the Atlantic Shipbuilding Procurement Strategy and the Agency's new streamlined approach to innovation programming, aimed at better helping small and medium-sized enterprises (SMEs) to innovate, adapt and compete. Strategic investments in areas such as innovation, technology adoption, business and management skills, and the development of SMEs' international business activities are essential to enhancing the competitiveness of the region's SMEs and the continued vitality of the region's communities.

What are the plans for meeting this priority?

- Support SMEs, through the renewed Atlantic Innovation Fund and the strengthened Business Development Program, to improve business productivity and competitiveness by helping firms become investor ready and capitalize on opportunities related to major projects, and by promoting innovation and skills initiatives such as commercialization activities, the adoption and adaptation of technology, efficiency measures, the enhancement of business management skills and sector development activities.
- Assist Atlantic businesses and industries to expand into the global marketplace by exploring opportunities for international business development, including global value chains, as outlined in Canada's Global Markets Action Plan and by helping SMEs to capitalize on international trade agreements in 2015 and beyond.
- Provide research, coordination and programming that enable engagement and collaboration with federal, provincial, private-sector and academic partners throughout Atlantic Canada to identify effective approaches to addressing productivity, competitiveness and skills challenges in the region in 2015 and beyond.

[1] "Type" definitions:
- New: newly committed to for fiscal year 2015-16
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2013-14 or 2014-15)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2012-13 or earlier)

Priority 2	Type	Program
Develop and implement strategies in response to the distinct economic needs and opportunities of Atlantic Canadian communities, including a particular focus on rural business development.	Ongoing	Community Development, with support from Enterprise Development and Policy, Advocacy and Coordination

Description

Why is this a priority?

The diverse culture, geography and economic conditions throughout the four Atlantic provinces necessitate customized responses to economic needs that balance the differences and synergies between rural and urban areas. Rural communities must address significant challenges facing the natural resource sector, which has traditionally driven the regional economy, and seize opportunities for diversification. This is especially important in Atlantic Canada – one of the most rural regions in Canada. Stakeholders must work together to ensure that strategies developed in response to specific needs are complementary and contribute to a stronger region.

What are the plans for meeting this priority?

- Continue to work closely with partners in the private sector and academia, community-based groups and other government departments to address the needs of communities, especially in areas that are vulnerable to the out-migration of skilled workers and an aging population.
- Maximize the use of ACOA's resources, as well as those of partners such as the Community Business Development Corporations that assist rural SMEs, through the identification of strategic opportunities for economic growth, wealth creation and diversification in the region's communities, research and analysis that will assess the specific needs of diverse areas, and advocacy for responses from key stakeholders that will generate economic benefit.
- Assist in promoting industries such as tourism and help develop strategies to successfully grow these sectors.
- Identify and facilitate the development of primary resource projects in rural communities, with a particular focus on innovation and on developing and commercializing new value-added products and services.
- Strengthen investments in communities while ensuring continued alignment with federal priorities such as support for official language minority communities and Aboriginal economic development.

Priority 3	Type	Program
Provide leadership through coordination, engagement and advocacy with business, government and other stakeholders throughout the region and with key decision-makers in Ottawa so that Atlantic Canada is able to capitalize on emerging opportunities and address key challenges.	Ongoing	Policy, Advocacy and Coordination, with support from Community Development and Enterprise Development

Description

Why is this a priority?

Atlantic Canadian businesses have significant opportunity related to growth in global markets, new technologies and major projects that are under way or on the horizon, including in areas such as defence and energy. There are also important opportunities for Atlantic Canadian SMEs in key sectors to capitalize on growth opportunities such as those emerging from the National Shipbuilding Procurement Strategy. SMEs can also maximize their competitive advantages in the global economy under the Canada-EU Trade Agreement and other trade agreements. ACOA's mandate requires the Agency to lead the coordination of support among stakeholders, including federal departments, to maximize the economic benefits relating to emerging opportunities and to address ongoing challenges that may occur within the region.

What are the plans for meeting this priority?

- Analyze and develop strategies and engage stakeholders to capitalize on opportunities in areas that show strong potential for development, including major projects, the energy sector, the Atlantic Gateway and key growth sectors in Atlantic Canada.
- Engage with business networks to develop policy research focused on SMEs in the region.
- Inform key decision-makers and provide them with strategic advice based on rigorous analysis to ensure the Atlantic economy capitalizes on opportunities.
- Engage stakeholders, SMEs and communities in accessing opportunities created through the Canada-EU Trade Agreement.
- Ensure federal policies and programs in the primary resource sector take into consideration Atlantic Canadian competitiveness issues, including awareness of opportunities for regional value-added products in new and existing global markets.
- Advocate on behalf of Atlantic Canadian SMEs to promote their capacity to take advantage of opportunities associated with upcoming major projects, including federal defence procurement.
- Engage stakeholders through various strategies to maximize federal industrial benefit opportunities related to the National Shipbuilding Procurement Strategy and the Defence Procurement Strategy.
- Lead the new Atlantic Federal Council in engaging senior federal officials on Atlantic priorities and in connecting with central agencies on issues of national importance.

Priority 4	Type	Program
Continually improve the internal management of the organization and maintain employee engagement to excel in serving Canadians.	Ongoing	Internal Services

Description

Why is this a priority?

In a climate of fiscal restraint and organizational change, ACOA continues to demonstrate a strong commitment to delivering quality results for Canadians. To achieve its objectives, ACOA will have to foster continuous improvement while sustaining a diverse and skilled workforce, as inspired by Blueprint 2020. The Agency must maintain employee engagement at all levels to ensure efficient and effective decision making that reflects corporate and operational risks. In maintaining this engagement, it is also critical for employees to understand and identify with the Public Service of Canada's values – Respect for Democracy, Respect for People, Integrity, Stewardship, and Excellence – as the basis for ethical behaviour and as a means of underscoring the importance and the impact of ACOA's work.

What are the plans for meeting this priority?

- Implement transformational and organizational initiatives that will strengthen and improve the Agency's capacity to effectively and efficiently deliver excellent programs and services, and continue to seek feedback and foster employee engagement through various initiatives (e.g. kaizen events, 2014 Public Service Employee Survey Action Plan, employee engagement committees) in support of the Blueprint 2020 vision.
- Continue to seek opportunities for increased collaboration both within the Agency as well as within the broader government context.
- Continue to implement the new Directive on Performance Management, which promotes a fair, equitable and consistent approach to people management, supports employees and their development, and enhances productivity to ensure the provision of high-quality service to Canadians.
- Manage the implementation of mitigating measures for the Agency's key risks and ensure the integration of risk management into the Agency's planning and decision-making processes.
- Implement the first year of the 2015-2018 ACOA Values and Ethics Strategy to ensure that values remain embedded in the Agency's culture.
- Reinforce ACOA's commitment to maintaining strong human resource practices, in keeping with public-service values and in meeting its human resource needs and the demands of its change management agenda.
- Support key elements of Shared Services Canada's information technology (IT) transformation agenda to improve security and realize cost savings in the delivery of IT services within the public service.

Risk Analysis

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Economic Context There is a risk that the achievement of results expected from the Agency's economic development programming may be affected by external factors that contribute to uncertainties for economic growth in Atlantic Canada.	Management will mitigate this risk through ongoing research and analysis of the factors affecting economic growth in Atlantic Canada, and through ongoing intelligence gathering facilitated by the Agency's networks and regional presence. Management will capitalize on the flexibility of the Agency's programming, on its advocacy role and on its integrated planning process in order to proactively address the risks and opportunities presented by these uncertainties.	• Enterprise Development • Community Development • Policy, Advocacy and Coordination
External Capacity There is a risk that partner, community and client capacity for the identification, development and successful implementation of strategic projects may not be sufficient to support the optimal achievement of ACOA's program objectives.	Management will mitigate this risk through ongoing research, analysis, intelligence gathering and information sharing. Management will also work closely with its partners and stakeholders to foster client and community capacity and to increase private-sector capital investment in the region. Management will capitalize on the Agency's integrated planning process in order to understand and strategically address differences in how this risk expresses itself across ACOA regions.	• Community Development • Enterprise Development • Policy, Advocacy and Coordination

ACOA's work is driven by client requirements, strategic priorities and ever changing local and regional economic landscapes. These drivers give rise to uncertainties that can affect the Agency's ability to achieve expected results.

Over the next few years, economic growth in Atlantic Canada will be influenced by investments in the mining and energy sectors, the National Shipbuilding Procurement Strategy and global economic developments.

Atlantic Canada's economy continues to face several risks. While economic conditions are improving in the United States, slower-than-anticipated growth in emerging economies could create additional challenges for exporters. International competition from low-cost producers and access to markets will continue to challenge Atlantic Canada's industries. An aging population and out-migration could also place pressure on skills and labour force availability.

The above factors require businesses and communities in Atlantic Canada to become more competitive. The development and commercialization of innovative products and services, a continued focus on business skills development and increased market diversification could help improve the region's productivity and competitiveness.

ACOA's organizational priorities reflect the above factors and the need for sound fiscal management and continuous improvement. ACOA's key risks and response strategies support the Agency in its plan to address challenges and capitalize on opportunities in a manner that is integrated, strategic and responsive to the circumstances affecting each Atlantic province.

In addition to its department-specific risks, ACOA monitors relevant Government of Canada risks and ensures that the Agency's response is aligned with whole-of-government strategies. Information Management and Information Technology security represents an area of uncertainty given the frequency, complexity and severity of cyber-attacks. ACOA will mitigate this risk through information stewardship, implementation of Government of Canada policies and procedures, including the Treasury Board Secretariat's Directive on Recordkeeping and related training, and implementation of ACOA's Departmental Security Plan.

Planned Expenditures

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
298,584,989	298,584,989	296,858,549	298,712,722

Human Resources (Full-Time Equivalents [FTEs])

2015-16	2016-17	2017-18
598	598	598

Budgetary Planning Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Program and Internal Services	2012-13 Expenditures	2013-14 Expenditures	2014-15 Forecast Spending	2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
Strategic Outcome 1: A competitive Atlantic Canadian economy							
1.1 Enterprise Development	179,856,451	180,674,018	176,912,731	171,221,612	171,221,612	169,937,144	172,757,770
1.2 Community Development	88,520,093	94,103,326	90,907,790	89,727,582	89,727,582	89,368,367	88,353,094
1.3 Policy, Advocacy and Coordination	12,403,955	10,634,165	13,521,959	11,774,749	11,774,749	11,715,659	11,764,659
Subtotal	**280,780,499**	**285,411,509**	**281,342,480**	**272,723,943**	**272,723,943**	**271,021,170**	**272,875,523**
Internal Services Subtotal	**34,881,448**	**28,746,598**	**29,609,957**	**25,861,046**	**25,861,046**	**25,837,379**	**25,837,199**
Total	**315,661,947**	**314,158,107**	**310,952,437**	**298,584,989**	**298,584,989**	**296,858,549**	**298,712,722**

The decrease in planned spending is primarily evident between 2014-15 and 2015-16. Details of all variances are fully explained in the section Departmental Spending Trend.

Alignment of Spending with the Whole-of-Government Framework

Alignment of 2015-16 Planned Spending, with the Whole-of-Government Framework (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015-16 Planned Spending
A competitive Atlantic Canadian economy	1.1 Enterprise Development	Economic Affairs	Strong Economic Growth	171,221,612
	1.2 Community Development	Economic Affairs	Strong Economic Growth	89,727,582
	1.3 Policy, Advocacy and Coordination	Economic Affairs	Strong Economic Growth	11,774,749

Total Planned Spending, by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	272,723,943
Social Affairs	0
International Affairs	0
Government Affairs	0

Departmental Spending Trend

In the 2015-16 Main Estimates, the Agency's available funding is $298.6 million. This represents a $12.3 million reduction from 2014-15 forecast spending of $310.9 million. The variance is explained by:

- a $16.0 million reduction in parliamentary authorities received after the tabling of the 2014-15 Main Estimates but not yet received in 2015-16
    - $11.6 million in funding from repayable collections. The Agency received funding in 2014-15 from repayable contributions greater than what was included in the Agency's reference levels. An adjustment is required annually to account for collections in excess of the base amount included in the reference levels;
    - $3.4 million from the operating budget carry forward; and
    - $1.0 million for Treasury Board-funded costs.
- a $3.6 million increase in temporary initiatives
    - $3.2 million to support specific projects in innovation, commercialization and community development in New Brunswick; and
    - $0.4 million in funding to support the spruce budworm outbreak intervention as announced in Budget 2014.
- a $0.1 million increase in other adjustments
    - $1.9 million in increased funding resulting from the dissolution of ECBC; and
    - minus $1.8 million for a one-time transition payment in 2014-15 for implementing salary-payment-in-arrears.

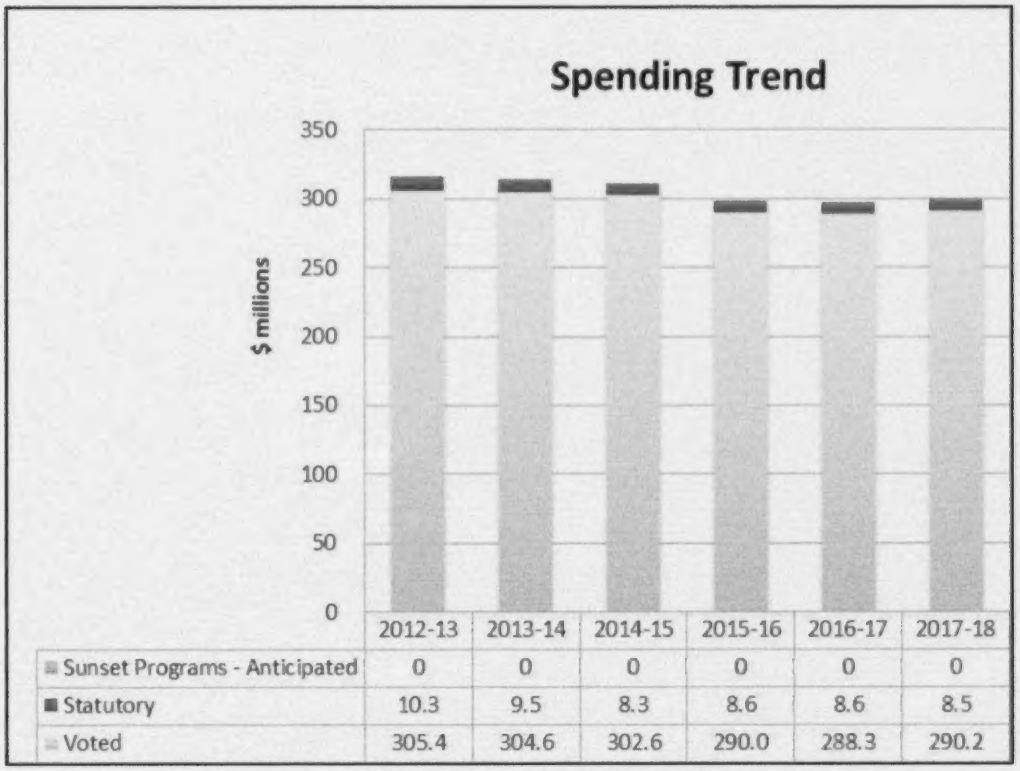
In 2016-17, planned spending is $296.9 million, a $1.7 million decrease from $298.6 million in 2015-16, due to:

- a $2.7 million decrease to support specific projects in innovation, commercialization and community development in New Brunswick; and
- a $1.0 million increase in funding to support the spruce budworm outbreak intervention as announced in Budget 2014.

In 2017-18, planned spending increases to $298.7 million, a $1.8 million increase from the $296.9 million in planned spending for 2016-17. This is due to:

- a $2.4 million increase in funding to support the spruce budworm outbreak intervention as announced in Budget 2014; and
- a $0.6 million decrease for the conclusion of operational funding for the administration of the Building Canada Fund.

The figure below illustrates the Agency's actual spending for 2012-13 and 2013-14, the forecast spending for 2014-15 and the planned spending from 2015-16 to 2017-18.



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sunset Programs - Anticipated	0	0	0	0	0	0
Statutory	10.3	9.5	8.3	8.6	8.6	8.5
Voted	305.4	304.6	302.6	290.0	288.3	290.2

Excluding sunset programs, the Agency's spending levels from 2012-13 to 2013-14 declined mainly as a result of Budget 2011 and Budget 2012 initiatives. All other variances have been explained above.

Estimates by Vote

For information on ACOA's organizational appropriations, consult the *2015-16 Main Estimates* on the Treasury Board of Canada Secretariat website.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome:
A competitive Atlantic Canadian economy

Performance Measurement

Performance Indicator	Five-Year Target 2013-14 through 2017-18	Date to be Achieved
Increase of Atlantic Canada's gross domestic product for every dollar of ACOA expenditure in direct support of business	$4.50[i]	March 31, 2018

A competitive Atlantic Canadian economy increases opportunities for economic development in the region, specifically through the growth of earned incomes and employment opportunities. Productivity is an important determinant of competitiveness and a strong source of long-term prosperity for a region. Competitiveness and productivity are critical factors that allow companies and communities to adapt to changing global conditions. The Agency supports and works with businesses and communities to help them become more competitive, innovative and productive, while identifying and responding to opportunities and challenges in the Atlantic Canadian economy.

Program 1.1: Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that, in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized enterprises (SMEs), to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's research and development (R&D) capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
171,221,612	171,221,612	169,937,144	172,757,770

Human Resources (FTEs)

2015-16	2016-17	2017-18
227	227	227

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Improved growth and competitiveness of Atlantic Canadian SMEs	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	0.3	March 31, 2016
	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	10	March 31, 2016

Planning Highlights

In 2015-16, the Agency will continue to assist businesses, industry sectors, post-secondary institutions and community-based organizations in Atlantic Canada to build on the region's innovation capacity, productivity and overall competitiveness of its SMEs. This will be achieved through continued support of innovation and the commercialization of new products and services, developing international business opportunities and export markets, and fostering the entrepreneurial skills needed to drive economic growth.

With regard to innovation programming, the Agency's new streamlined and targeted approach will better respond to the needs of businesses and researchers. ACOA's investments in innovation will encourage the following: product development; new products and services marketing; the adoption and adaptation of technology to increase productivity; and increased skills, technology and market knowledge to help businesses become more competitive. ACOA's investments will contribute to leveraging funds from the private sector and other sources toward innovation projects, encourage the development of partnerships for technology development, and increase revenues from the commercialization of products and services.

In the area of international business development, ACOA will further develop Atlantic Canadian companies' international business capabilities by helping them to acquire the tools and support they need to access and succeed in international markets. ACOA will continue to assist businesses and industries to explore international business opportunities outlined in the Global Markets Action Plan, the Canada-European Union (EU) Trade Agreement, and other existing and future trade agreements. Efforts will also continue to promote Atlantic Canada as a profitable place to do business.

ACOA will continue to support productivity and growth initiatives that provide information, financing and business skills development opportunities to enable Atlantic Canadians to start and grow businesses, innovate and become more productive. This includes continued investments in lean manufacturing initiatives, firm expansion and modernization, commercial and non-commercial investments to expand tourism, and support for SMEs to capitalize on major planned projects in Atlantic Canada.

Sub-Program 1.1.1: Innovation and Commercialization

Description

Raising the levels of research and development and of innovation in the region is fundamental to increasing Atlantic Canada's competitiveness and to closing the productivity gap with the rest of the country. The Agency invests in innovation and commercialization by supporting the research and development of new products, services and processes, and their commercialization in the marketplace. As well, the Agency provides support for the adoption and adaptation of leading-edge technologies in businesses. Clients include businesses and organizations such as universities and research institutes. This sub-program uses funding from the following transfer payments: the Atlantic Innovation Fund (AIF) and the Business Development Program (BDP).

Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
93,129,829	91,652,785	94,150,990

Human Resources (FTEs)

2015-16	2016-17	2017-18
84	84	84

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Strengthened innovation and commercialization capacity in Atlantic Canada	Amount leveraged per dollar invested by ACOA in innovation projects	$1.25	March 31, 2016
	Number of key collaborators for technology development and commercialization through AIF projects	TBD* During 2015-16, the Agency will establish a new baseline.	March 31, 2016
		Four-year Target 2015-16 through 2018-19	
	Dollar amount of revenues resulting from commercialization	$150,000,000	March 31, 2019

*As a result of changes to the AIF application process and to the scope and nature of desired AIF projects, past baseline information became an unreliable source for determining future targets. Results obtained in 2015-16 will help establish a new baseline.

Planning Highlights

ACOA has been at the forefront of innovation programming in Atlantic Canada for several years now. In order to increase the competitiveness of Atlantic businesses, ACOA has revisited its innovation programming and will continue to transition to a new model in 2015-16. Through the AIF and the BDP, the Agency will strive to better serve and assist businesses, universities and research institutions.

ACOA will continue to foster an environment where innovation can help drive the Atlantic Canadian economy. By investing in innovation, the Agency will contribute to the region's economic diversification, market expansion, and productivity and competitiveness enhancements.

ACOA's investments will, among other things, contribute to leveraging funds from the private sector and other sources toward innovation projects; encourage the development of partnerships for technology development; and increase revenues from the commercialization of new technologies, products, processes and services.

The Agency will work to maximize the impact of its investments, particularly in sectors that are strategically important to the long-term success of the Atlantic region. It will continue to support regional innovation activities that improve the commercialization potential of technologies developed in Atlantic Canada, including in more traditional sectors such as forestry, with an initiative that will allow for the development of new products and techniques to intervene early in spruce budworm outbreaks in order to mitigate pest-related impacts on forest integrity, timber supply and industry productivity.

Sub-Program 1.1.2: Productivity and Growth

Description

The Agency invests in productivity and growth to enhance Atlantic Canadians' access to the information, business skills and financing they require to start and/or grow a business. This enables businesses to get established, become more productive and grow, which generates wealth and jobs in the economy. Investments in productivity and growth are made directly by helping businesses to increase competitiveness through activities such as productivity improvement, expansion, modernization, business skills development, training, hiring skilled personnel, and indirectly through contributions to non-profit organizations such as business and economic development associations that undertake activities that foster business productivity and growth. The Agency also administers Canada Business, which acts as a comprehensive source of information on government services, programs, regulations and resources for businesses. By reducing the complexity of dealing with various levels of government, Canada Business plays a role in the business development process. This sub-program uses funding from the following transfer payment: the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
54,819,698	54,738,455	54,937,712

Human Resources (FTEs)

2015-16	2016-17	2017-18
91	91	91

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Enhanced Atlantic Canadian SMEs' productivity and growth capacity	Percentage points by which the growth in sales of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	0.5	March 31, 2016
	Percentage of participants in business skills development activities indicating that the activity improved their business skills	85%	March 31, 2016
	Amount leveraged per dollar invested by ACOA in commercial productivity and growth projects	$2.00	March 31, 2016

Planning Highlights

ACOA will continue to ensure that Atlantic Canadians have access to opportunities to secure the financing and support they need to start or grow their businesses and become more productive. Productivity is about how firms invest in and combine resources such as labour, skills, raw materials and capital equipment to produce goods and services. This is of critical importance to the Atlantic Canadian economy since increases in productivity allow businesses to raise their competitiveness and lead to more efficient production, increased value, higher incomes and, ultimately, enhanced living standards.

The Agency will invest in projects that assist SMEs in hiring skilled personnel to help them address specific business challenges, in modernizing their operations through the adoption of technology, and in incorporating continuous improvement initiatives so they can increase their competitiveness. In addition, ACOA will continue to support SMEs to enable them to capitalize on opportunities arising from planned major projects in Atlantic Canada.

ACOA will continue to provide funding to non-commercial entities such as business support organizations and educational institutions that, in turn, undertake activities that enable existing and future entrepreneurs to develop the business and management skills they need to start a business, enhance productivity and improve capacity for growth. These activities will focus on areas such as counselling, mentoring and training to foster entrepreneurship and growth-oriented firms.

The Agency will also ensure that Atlantic Canadians have continued access to timely and accurate business information via Canada Business, including information on federal and provincial government programs and resources for business.

Sub-Program 1.1.3: International Business Development

Description

Canada's Global Markets Action Plan (GMAP) identifies global value chains and new economic forces as offering opportunities while recognizing increased competition for Canada. To strengthen the country's position in international markets, the strategy prescribes taking advantage of emerging global opportunities and reinforcing Canada's image internationally as a preferred business partner and premier investment destination. Consistent with this strategy, the Agency pursues international opportunities with a view to increasing the number of exporters and the volume of export sales, to attracting foreign direct investment and to supporting the international commercialization of technology. Further, the Agency promotes Atlantic Canada abroad as a world leader in energy production, export and research, as a centre of innovation, as a skilled labour pool, as a reliable supplier of quality products at competitive prices and as the gateway to the North American market. The Agency also plays a role in coordinating the efforts of federal, provincial and private-sector organizations in Atlantic Canada in pursuing international business opportunities. Clients include businesses, non-profit organizations, learning and research institutions, and provincial governments. This sub-program uses funding from the following transfer payment: the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
23,272,085	23,545,904	23,669,068

Human Resources (FTEs)

2015-16	2016-17	2017-18
52	52	52

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Expanded export activity by SMEs in Atlantic Canada	Percentage of commercial International Business Development projects that meet expectations, thus contributing to expanded export activity	75%	March 31, 2016
	Percentage of SMEs that expand their international sales within 12 months of participating in an International Business Development activity	50%	March 31, 2016

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
New foreign direct investment opportunities in Atlantic Canada	Number of foreign direct investment transactions completed (deals closed) where ACOA's support contributed to bringing the project to fruition	5	March 31, 2016

Planning Highlights

ACOA will continue to align itself with Government of Canada priorities, including the GMAP, the Americas Strategy and the International Education Strategy, by providing Atlantic Canadian businesses with the tools, access and support they need to succeed in global markets and by promoting Atlantic Canada. ACOA will help Atlantic Canadian exporters take full advantage of recently signed free trade agreements such as the Canada-EU Trade Agreement and the Canada-Korea Free Trade Agreement. It will also work with its partners to identify new opportunities in terms of sectors, markets and strategies; with universities and research institutions to support commercialization efforts; and with other funding partners to reduce the administrative burden and increase customer service.

Exporting remains one of the nation's leading engines of economic growth. It builds revenues, fuels business growth and generates jobs. Given the region's small domestic market, international business is a significant contributor to its economy. The Agency contributes to the region's performance by strengthening the capabilities of SMEs, helping them to enter global markets and fostering their international business results. Other initiatives include identifying and nurturing industry sectors with high export potential and exploring and developing opportunities in emerging markets.

The overall objective of this sub-program is to increase the international business activity of SMEs and the region. ACOA will achieve this by exposing sectors and companies to international market opportunities and ensuring they are well prepared; developing long-term strategies and implementation plans for markets abroad; making available key stakeholders' intelligence, contacts and opportunities; and supporting business activities that lead to increased sales for SMEs. Efforts to promote the region as a profitable place to do business will continue through international business development missions, website marketing and participation in key industry conferences, and by hosting familiarization tours and organizing outreach events. The Agency will work with SMEs striving to commercialize their innovative technologies or processes by identifying potential partners with whom to collaborate in their research or market expansion.

Program 1.2: Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For these reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
89,727,582	89,727,582	89,368,367	88,353,094

Human Resources (FTEs)

2015-16	2016-17	2017-18
101	101	101

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage points by which the business survival rate of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	10	March 31, 2016
	Percentage of Community Development (CD) projects that met expectations, thus contributing to the CD expected result	80%	March 31, 2016

Planning Highlights

ACOA will continue to work with communities, community economic development networks, and provincial and municipal governments to stimulate economic development benefiting the region's rural and urban areas. This will involve investing in initiatives that are well aligned with the economic priorities and distinct needs of the various communities throughout Atlantic Canada.

To stimulate economic development at the community level, ACOA uses its suite of programs, in particular the Innovative Communities Fund, the Community Futures Program and the Business Development Program. Through these funding mechanisms, the Agency will make strategic investments to revitalize the communities in which it operates and to improve the productivity and competitiveness of Atlantic Canadian SMEs. The Agency's focus in the area of community infrastructure will be to support projects that enhance economic opportunities. In addition, ACOA will collaborate with Infrastructure Canada on the continued delivery of infrastructure programs.

ACOA will continue to support community-based business development organizations such as Canada Business Development Corporations by providing them with investments and tools essential to build strong communities.

Furthermore, ACOA will build on its relationship with Atlantic Canada's official language minority communities in implementing the Economic Development Initiative, which is part of the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*. It will also work with Aboriginal stakeholders to identify investments that support strategic economic development for Aboriginal communities.

Finally, the Agency will strive to grow the tourism industry's contribution to the region's gross domestic product by strengthening partnerships between the private and public sectors so that strategic investments contribute to increased profitability, sustainability and wages.

Sub-Program 1.2.1: Community Investment

Description

To be sustainable and to grow, communities must take responsibility for their own economic development future. They must have the capacity and resources available to them at a local level to lead the community development process as well as to invest in those initiatives that stimulate their economic development. These communities include geographic communities and communities of interest such as industry sectors, non-profit organizations and Aboriginal and francophone organizations. The Agency works with these communities, assisting them to develop their own vision for economic growth through targeted planning and by making strategic investments toward increasing the human capacity present in the community, including skills development, training and coordination, as well as the physical capacity (i.e. community infrastructure). This sub-program uses funding from the following transfer payments: the Innovative Communities Fund (ICF) and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
71,797,962	71,564,806	70,549,533

Human Resources (FTEs)

2015-16	2016-17	2017-18
84	84	84

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Communities respond to economic and business development opportunities and challenges	Amount leveraged per dollar invested by ACOA in Community Investment projects	$1.50	March 31, 2016

Planning Highlights

The economic vitality of a region is influenced by its capacity to respond to local and global economic opportunities and challenges. Under its Community Investment programming, the Agency contributes to the economic development of mainly rural communities in Atlantic Canada by supporting initiatives that assist them in building their capacity to respond to these opportunities and challenges. This includes supporting critical infrastructure that fosters a milieu for businesses to develop and grow while offering necessary amenities to communities. It also entails leveraging capital

investments in sector growth initiatives that help expand the regional economy. In 2015-16, the Agency will continue to encourage partnerships between communities, provinces and stakeholders at the local level and build on the economic development capacity of communities to identify and address the strategic and emerging opportunities in the region.

Through the ICF, the Agency will continue to promote investments that have an economic impact in Atlantic Canadian communities. These investments will have a particular focus on growing key priority sectors as well as in contributing to the realization of strategic community infrastructure projects.

ACOA will continue to engage with its various partners, including provincial and municipal governments, to maximize potential investments that will benefit Atlantic communities. The amount leveraged per dollar invested by ACOA will demonstrate that communities are pulling together the necessary resources to realize higher economic impact projects while engaging key stakeholders.

ACOA's Strategic Tourism Expansion Program will increase the competitiveness of tourism in rural communities by guiding them through the process of building and executing a strategic and sustainable tourism action plan.

By engaging with official language minority communities through its many networks and points of service, ACOA will identify investments that will enhance the vitality of those communities via its regular programs as well as through the delivery of the Economic Development Initiative under the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*.

The Agency will pursue its collaboration with Aboriginal organizations to identify investments that will strengthen Aboriginal entrepreneurs and the competitiveness of their businesses.

It will also pursue its close co-operation with Infrastructure Canada in the administration of the Building Canada Fund – Communities Component.

Sub-Program 1.2.2: Community-based Business Development

Description

The lack of business capital available in rural regions of Canada has the potential to be a significant economic development barrier. It impedes the establishment and expansion of small businesses in rural areas that are essential to the vitality and sustainability of communities. The Agency provides targeted support to community-based non-profit organizations to address investment capital gaps that focus on small businesses. As such, the Agency provides contributions to a network of Community Business Development Corporations (CBDCs) in Atlantic Canada that are run by community-based volunteer boards of directors. CBDCs provide an essential source of investment capital that focuses on small rural businesses as well as on other services that include business counselling and skills development. In addition, the Agency assists Aboriginal communities by improving access to capital for small and medium-sized Aboriginal businesses through the Ulnooweg Development Group. This sub-program uses funding from the following transfer payments: the Community Futures (CF) program, the Innovative Communities Fund (ICF), and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
17,929,620	17,803,561	17,803,561

Human Resources (FTEs)

2015-16	2016-17	2017-18
17	17	17

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Strengthened and expanded businesses	Percentage points by which the growth in sales of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	5	March 31, 2016
	Percentage points by which the employment growth of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	2	March 31, 2016

Planning Highlights

In 2015-16, ACOA will continue investing in community-based business development organizations to ensure Atlantic Canadian businesses located in rural areas have access to the capital, the information and the counselling they need and that are essential to the vitality and sustainability of communities.

In keeping with recommendations resulting from the evaluation of this sub-program, approved in June 2014, the Agency will foster a collaborative results-based management approach to ensure value for money with organizations such as CBDCs. This would include the continuous improvement of the Community Futures of Tomorrow model as part of a collaborative joint oversight committee. The immediate impact of ACOA's investments will be measured by the percentage of funding in business loans, the number of loans approved and the number of clients who have taken part in training or business counselling.

To help Atlantic Canadian businesses become more productive and competitive, the Agency will engage with stakeholders to look at ways to enhance the adoption, development and commercialization of new technologies by rural SMEs supported by CBDCs. In collaboration with these stakeholders, ACOA will encourage more lending in high-priority areas such as innovation, youth and first-time entrepreneurs.

ACOA will pursue its close collaboration with CBDCs to enhance their contribution in support of businesses with effective tools such as consultant advisory services as well as the provision of capital and business training targeting youth in urban areas.

Aboriginal communities remain one of ACOA's areas of focus for community development. The Agency will continue to work to identify investments that support strategic priorities listed in the Federal Framework for Aboriginal Economic Development and the Atlantic Aboriginal Economy Building Strategy. Furthermore, work will continue to be undertaken to implement the new guidelines and procedures with respect to ACOA's legal duty to consult with Aboriginal communities.

Program 1.3: Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics, and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA overall remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and by coordinating other policies and programs within the region to form integrated approaches to development.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
11,774,749	11,774,749	11,715,659	11,764,659

Human Resources (FTEs)

2015-16	2016-17	2017-18
69	69	69

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Policies and programs that strengthen the Atlantic economy	Percentage of PAC activities that have met their objectives, thus contributing to the PAC expected result	75%	March 31, 2016

Planning Highlights

In 2015-16, the Agency will continue to play a critical role in delivering on the federal agenda and reflecting national priorities in Atlantic Canada by conducting policy research and analysis and by providing sound policy advice. Research and analysis will focus on the opportunities and challenges related to the region's economy such as demographics, community economic development, the Canada-EU Trade Agreement and trade with Asia. The Agency will also consider factors influencing the ability of SMEs to benefit from supply chain opportunities such as business skills, competitiveness, productivity,

innovation and commercialization. Key industries such as services, bioscience, tourism, natural resources and energy will also be examined.

ACOA will advocate for Atlantic Canadian businesses in the design of federal policies, programs and investments. The Agency will work to help Atlantic Canadian SMEs position themselves to take advantage of opportunities related to major free trade agreements and federal strategies such as the GMAP. The Agency will also promote investment in the energy sector and advocate for policy and regulatory changes that could improve the investment environment for clean energy and for offshore oil and gas exploration. The Agency's advocacy efforts also aim to secure industrial benefit commitments for Atlantic Canadian SMEs resulting from procurements within the Canada First Defence Strategy, and the National Shipbuilding Procurement Strategy.

In its coordination role, the Agency will work with other federal departments, the four Atlantic Provinces and other stakeholders to capitalize on opportunities related to major projects in the region, such as the shipbuilding initiative. Under the leadership of the Atlantic Canada Energy Office, the Agency aims to facilitate the development of the region's energy sector by fostering collaboration, common understanding and communication among the public and private sectors. ACOA will continue to work with other federal departments and agencies involved with tourism to develop and maintain an integrated and forward-looking federal tourism agenda. Finally, the Agency will help coordinate the work of federal departments in the region by leading the newly formed Atlantic Federal Council (AFC).

Sub-Program 1.3.1: Policy

Description

Policy provides a solid base of understanding for the development of the Agency's strategic priorities and initiatives, program design and input to national policy development and federal-provincial relations. This includes policy analysis and advice (including the development of policies and frameworks), economic analysis, research and stakeholder engagement. The policy function is carried out by officials at head office, in the regional offices and in the Ottawa office. The Agency's policy work is supported in part by a dedicated Agency fund that contributes to building policy research capacity in Atlantic Canada. This sub-program uses funding from the following transfer payments: the Atlantic Policy Research Initiative (APRI) and the Business Development Program (BDP).

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
6,108,991	6,105,167	6,105,167

Human Resources (FTEs)

2015-16	2016-17	2017-18
33	33	33

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Well-informed policy decisions reflecting opportunities and challenges of the Atlantic region's economy while considering enterprise and community development potential	Percentage of Policy activities that have met their objectives, thus contributing to the expected result	80%	March 31, 2016

Planning Highlights

ACOA will contribute to the development of a competitive Atlantic Canadian economy and support advocacy and coordination activities through its policy research, analysis and engagement activities, which provide the foundation for the development of strong policies and programs. The Agency's Policy function plays a vital role in providing a better understanding of Atlantic Canada's economic environment and of the issues, challenges and opportunities facing the regional economy.

ACOA will conduct research and analysis on issues and trends in areas such as productivity, business skills, innovation and commercialization, community development and trade with Europe and Asia, and on major projects relating to energy, mining and shipbuilding. Policy efforts will also look at supply chain opportunities for Atlantic Canadian SMEs. The Agency will continue to undertake macroeconomic, microeconomic and fiscal analyses, with particular emphasis on Atlantic Canada's demographic situation. Policy work will also include research and analysis to identify sub-regional economic data to inform decision making.

APRI is a primary tool for engaging with research partners and stakeholders. Agency efforts through APRI will lead to increased knowledge on priority areas that include the following: opportunities and challenges presented by the Canada-EU Trade Agreement; trade linkages with Asia; the impact of a transient workforce on communities; the relationship between industry and labour force supply and demand; and linkages between entrepreneurship and economic development.

The Agency will also pursue a number of engagement and outreach efforts with the federal and provincial governments, the private sector, industry associations and academic partners to ensure that SMEs are well positioned to capitalize on opportunities related to major projects and developments in international trade.

ACOA will continue to support the Agency's president in his role as the chair of the Organisation for Economic Co-operation and Development's Regional Development Policy Committee, the main international forum for the exchange of ideas in the field of regional policy.

Sub-Program 1.3.2: Advocacy

Description

Federal decision-makers must understand and consider Atlantic Canada's interests, and regional stakeholders must remain well-informed of federal government actions and of opportunities that are relevant to the economic interests of the region. The Agency's advocacy activities aim to advance the region's interests in national policy and program development. In the case of federal government procurement, particularly major Crown projects, the Agency advocates to leverage industrial benefits for Atlantic Canadian small and medium-sized businesses.

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
3,956,303	3,903,067	3,952,067

Human Resources (FTEs)

2015-16	2016-17	2017-18
19	19	19

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Atlantic enterprise and community development interests are considered in emerging and changing federal economic policies, programs and regulations	Percentage of Advocacy activities that have met their objectives, thus contributing to the expected result	75%	March 31, 2016

Planning Highlights

In 2015-16, ACOA will continue to advocate for national policies and programs that encourage Atlantic Canadian businesses to become more innovative, productive and competitive in the global marketplace.

The Agency will work to identify opportunities flowing from international trade policies that will assist Atlantic Canadian businesses to expand their reach into new markets. This includes services that help SMEs to capitalize on broader access to markets arising from free trade agreements such as the Canada-EU Trade Agreement. It will also ensure its activities support national strategies such as the GMAP and the Americas Strategy.

ACOA will collaborate with federal departments to increase access for SMEs to national programs that provide opportunities to increase their competiveness. ACOA will strive to guide the design of federal policies, programs and investments to improve commercialization outcomes in the region, and will advocate for the importance and effectiveness of federal innovation programs and for the strengthening of the regional innovation ecosystem.

The Agency will encourage the sustainable transformation of Atlantic Canada's natural resource sectors, focusing on opportunities to support new uses and markets for Atlantic Canada's resources and the application of new technologies to increase the productivity of the natural resource sectors.

ACOA will help Atlantic Canadian SMEs position themselves to take advantage of opportunities related to the National Shipbuilding Procurement Strategy. Through the Atlantic Shipbuilding Action Plan, the Agency will work with public- and private-sector partners to deliver supplier development initiatives and provide opportunities for SMEs to engage with key stakeholders. ACOA will also continue to assist the development of the Atlantic Canadian aerospace and defence industry, seeking opportunities to maximize the economic impact of procurement related to the Canada First Defence Strategy.

The Agency will promote investment in Atlantic Canada's energy sector, including policy and regulatory changes that could improve the environment for investment in offshore oil and gas exploration, and will support the development of Atlantic Canada's clean energy assets.

ACOA will also advocate for efforts to address demographic challenges facing the region, including supporting skills development and immigration strategies that enhance productivity and respond to regional skills shortages.

Sub-Program 1.3.3: Coordination

Description

The Agency is mandated by legislation to coordinate the policies and programs of the Government of Canada in relation to opportunities for economic development in Atlantic Canada. The coordination function engages a range of economic partners to address the economic priorities of Atlantic Canada through a coherent and collaborative approach to development, including federal-provincial initiatives, round tables and expert panels. The Agency coordinates with other federal departments on regional development efforts and through the Atlantic Federal Council (AFC) on Government of Canada priorities.

Budgetary Financial Resources (dollars)

2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
1,709,455	1,707,425	1,707,425

Human Resources (FTEs)

2015-16	2016-17	2017-18
17	17	17

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2015-16	Date to be Achieved
Coordination of partners in addressing the economic priorities of Atlantic Canada through a coherent approach to development	Percentage of Coordination activities that have met their objectives, thus contributing to the expected result	75%	March 31, 2016

Planning Highlights

ACOA's Coordination function will encourage partners to work together to address Atlantic Canada's economic priorities and pursue a focused approach to economic development. This will help empower businesses to capitalize on emerging opportunities and address key challenges. ACOA will continue to work with the four Atlantic provincial governments to identify common goals and priorities, to facilitate joint research and coordinate the delivery of economic development programs and services as well as to support strategic Government of Canada objectives such as the Federal Tourism Strategy.

To help maintain a coordinated federal approach in the region, ACOA will continue to work with federal departments through the newly formed Atlantic Federal Council, which is chaired by the Agency's President, Paul J. LeBlanc. In 2015-16, the council will continue to provide regional intelligence to central agencies and advance Government of Canada horizontal priorities within the region in priority areas, including the Blueprint 2020 vision, people management, emergency preparedness and official languages.

ACOA will continue to work with other federal departments and regional development agencies to align regional development policies with the Government of Canada's priorities. Multi-level collaborations with provincial governments will continue on issues such as labour markets, skills and international business development.

The Atlantic Energy Gateway will pursue its engagement with key stakeholders such as federal departments, provincial governments, utilities and other actors in the energy sector. Areas of focus will include continued development of new and renewable energy and the development of natural gas in the region.

The Agency will collaborate with federal departments and provincial counterparts to address opportunities and challenges in both rural and urban areas in relation to developments in growing sectors and major projects. ACOA will continue to coordinate a number of engagement activities with researchers, universities and industries in the region, elsewhere in Canada and internationally.

Finally, ACOA will participate in various senior-level Government of Canada committees, both in Ottawa and in the Atlantic region, to facilitate collaboration between federal departments, contribute to a better understanding of Atlantic Canada, and lead to new opportunities in the region.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
25,861,046	25,861,046	25,837,379	25,837,199

Human Resources (FTEs)

2015-16	2016-17	2017-18
201	201	201

Planning Highlights

In the spirit of the vision and principles of Blueprint 2020, ACOA will continue to implement organizational initiatives that will strengthen and improve the Agency's capacity to deliver excellent and efficient programs and services. The focus will continue to be on implementing common business processes that support the government's transformation agenda of standard government solutions in areas such as human resources, information management, information technology and finance while maintaining an emphasis on cost containment and on reducing the growth rate in government spending. In addition, the Agency will build on its partnership with departments such as other regional development agencies and Shared Services Canada to explore opportunities for increased efficiency through collaboration. ACOA will continue to seek employee engagement in continuous business improvement (e.g. kaizen events) and will follow up on the 2014 Public Service Employee Survey results. It will also support employees and their development in order to enhance performance and productivity, thus ensuring the provision of high-quality service to Canadians now and in the future.

Evidence-based decision making, accountability and the continuous improvement of programs and services are supported by ACOA's performance measurement and evaluation functions. To further these objectives, the Agency will ensure a robust performance measurement framework is in place and will continue to implement ACOA's five-year evaluation plan.

ACOA will coordinate and lead its annual integrated planning process to ensure that its planning activities remain aligned with Government of Canada priorities and the Agency's mandate and budgetary resources. The Agency will also ensure the integration of human resources, risk management, performance management and evaluation considerations into its planning and decision-making processes and will continue to implement its renewed security plan.

The Agency will implement its 2015-2018 Values and Ethics Strategy to ensure that values and ethics remain at the foundation of its corporate culture and will support open dialogue at all of its levels.

Section III: Supplementary Information

Future-Oriented Statement of Operations

The future-oriented condensed statement of operations provides a general overview of ACOA's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future-oriented condensed statement of operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the *Report on Plans and Priorities* are prepared on an expenditure basis, amounts differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, can be found on the Agency's website.

Future-oriented Condensed Statement of Operations
For the Year Ended March 31 (dollars)

Financial Information	2014-15 Estimated Results	2015-16 Planned Results	Difference
Total expenses	239,719,619	240,881,844	1,162,225
Total revenues	15,617	17,461	1,844
Net cost of operations	**239,704,002**	**240,864,383**	**1,160,381**

Total planned expenses for fiscal year 2015-16 are $240.9 million, an increase of approximately $1.2 million compared to the 2014-15 estimated results.

Of the planned expenses, $108.2 million (44.9%) is for the Enterprise Development program, $91.6 million (38%) is for the Community Development program, and $12.7 million (5.3%) is for the Policy, Advocacy and Coordination program. Internal Services represents $28.4 million (11.8%).

The planned expenses do not include transfer payments that are unconditionally repayable contributions, which are estimated to be $62.0 million. These are classified as assets as they are receivable contributions.

Total revenues represent the gain on disposal of tangible capital assets.

List of Supplementary Information Tables

Supplementary information tables can be found on the Agency's website:

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of $5 Million or More
- Disclosure of Transfer Payment Programs Under $5 Million
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication. The tax measures presented in the ***Tax Expenditures and Evaluations*** publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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(Courier address: E1C 1E2)

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Facsimile: 506-851-7403
Secure Facsimile: 506-857-1301
TTY[iii]: 1-877-456-6500
Access to Information/Privacy: 506-851-2271
http://www.acoa-apeca.gc.ca/English/Pages/home.aspx

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments

must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and will tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] *Atlantic Canada Opportunities Agency Act,* R.S.C., 1985, c. 41, 4th Supp.

[ii] Measuring the impact on GDP in Atlantic Canada is a long-term, multi-dimensional undertaking. Thus, the Agency reports results every five years based on an analysis of data from internal systems, using econometric modelling from The Conference Board of Canada. This indicator will next be measured in 2018, covering the five-year period 2013-14 through 2017-18.

[iii] A teletype or teletypewriter (TTY) is a device that enables people who are hearing or speech impaired to use a telephone to communicate by typing and reading messages instead of talking and listening. A TTY is required at both ends of a conversation in order to communicate.